

## Message Text

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42

ACTION SS-30

INFO OCT-01 ISO-00 /031 W

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R 182235Z JUL 74

FM AMEMBASSY PANAMA

TO SECSTATE WASHDC 1243

C O N F I D E N T I A L PANAMA 4167

STADIS////////////////////////////////

EXDIS

FOR ARA/PAN

E.O. 11652: GDS

TAGS: PFOR, PN, PQ

SUBJECT: PANAMA REVIEW COMMITTEE MEETING, JULY 17, 1974

REF: PANAMA 3978 AND STATE 152701

1. PRC PRINCIPALS CONVENED AT CHANCERY ON JULY 17. AMBASSADOR JORDEN OPENED DISCUSSION, INFORMING COLLEAGUES OF HIGH-LEVEL GOP TALKS ON CONTADORA ISLAND. HE SAID GOVERNMENT WOULD BE REVIEWING STEWARDSHIP OVER PAST FIVE YEARS AND PLANNING FOR FUTURE. PRESIDENT LAKAS, GENERAL TORRIJOS, FINANCE MINISTER SANCHIZ, CONTROLLER GENERAL CASTILLO AND OTHER HIGH-RANKING GN OFFICERS WERE EXPECTED TO BE IN ATTENDANCE DURING THREE-FOUR DAY MEETINGS, CONSULTING WITH MINISTERS AND OTHER TOP ADMINISTRATORS ON SCHEDULED BASIS. AMBASSADOR STATED THAT THERE WAS SOME FEELING THAT CERTAIN MINISTRIES HAD EXCEEDED GREATLY THEIR INVESTMENT LEVELS DURING LAST YEAR OR TWO AND GOP WANTED AN "ACCOUNTING OF PERFORMANCE." NO MAJOR SHIFTS WITHIN TEAM EXPECTED AT THIS TIME, BUT AMBASSADOR SAID WE WOULD BE REPORTING DEVELOPMENTS AS WE LEARNED MORE ABOUT THE TALKS.

2. AMBASSADOR JORDEN COMMENTED THAT DEPUTY NEGOTIATOR  
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GONZALEZ-REVILLA WENT TO WASHINGTON ON MONDAY AND WAS

UNDERSTOOD TO HAVE RESUMED TALKS WITH BELL ON TUESDAY. AMBASSADOR REPORTED THAT GONZALEZ-REVILLA WOULD CONVEY GOP COMMENTS ON "THRESHOLD AGREEMENT" ON INCREASED PANAMANIAN PARTICIPATION IN ADMINISTRATION OF PANAMA CANAL OPERATIONS. FOLLOWING THIS DISCUSSION IN WASHINGTON, IT WAS EXPECTED THAT DEPUTY NEGOTIATORS WOULD THEN TURN TO ISSUE OF "DEFENSE AND PROTECTION" OF CANAL.

3. AMBASSADOR REFERRED TO ITEM OF ESTABLISHING NATIONAL GUARD LIAISON OFFICE AT BALBOA POLICE STATION, WHICH HAD BEEN RAISED ON JULY 9. AMBASSADOR SAID THAT IN DISCUSSION WITH GOP OFFICIAL HE LEARNED THAT GOP VIEWED PROPOSAL AS ADDITIONAL STEP IN DEALING WITH SQUATTER PROBLEM. AMBASSADOR URGED THAT FAVORABLE CONSIDERATION BE GIVEN TO PROPOSAL. GOVERNOR PARKER REPLIED THAT CZG PREPARED TO RECEIVE GN LIAISON OFFICER AND ACCEPTANCE WOULD BE COMMUNICATED TO GUARD ON JULY 17.

4. PRC PRINCIPALS DISCUSSED PROPOSED TEXT OF "VERBAL NOTICE OF EVICTION" TO SQUATTERS. GENERAL ROSSON STATED, ASSUMING TEXT WAS ACCEPTABLE, THAT FIRST DECISION WAS WHETHER NOTICE WOULD BE ISSUED AND WHEN. AMBASSADOR JORDEN COMMENTED THAT HE PREPARED TO MOVE ALONG LINES AGREED UPON DURING JUNE 5 PRC MEETING, PROVIDED NO FORWARD MOVEMENT VISIBLE ON PART OF GOP. BUT THERE HAD BEEN MOVEMENT. AMBASSADOR SAID THAT, IF PRC PRINCIPALS WERE IN AGREEMENT, HE PROPOSED DRAFT TEXT BE HELD IN ABEYANCE--IT COULD BE APPROVED QUICKLY WHENEVER NEEDED--BECAUSE HE WAS BOTHERED ABOUT POSSIBILITIES OF LEAKS THAT US OFFICIALS WERE PREPARED TO EVICT SQUATTERS. AMBASSADOR SAID THAT ONCE GOP REVIEW ON CONTADORA COMPLETED HE WOULD TRY AND GET GENERAL TORRIJOS TO SET UP GN COMMITTEE TO MEET WITH PRC SUB-COMMITTEE ON SQUATTER PROBLEM SO THAT MOMENTUM THUS FAR ACHIEVED CAN BE MAINTAINED.

5. GOVERNOR PARKER REVIEWED HIS RECENT WASHINGTON VISIT AND BOARD OF DIRECTORS MEETING. HE SAID PANAMA CANAL TOLL INCREASE WENT INTO EFFECT UPON SIGNING BY CONFIDENTIAL

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PRESIDENT ALTHOUGH PUBLIC NOTICE WAS NOT GIVEN UNTIL THREE DAYS LATER. HE SAID HE HAD PROPOSED THREE DAY DELAY IN ORDER TO GIVE SHIPPING AGENTS ADVANCE NOTICE. PAN CANAL WILL NOW HAVE TO COLLECT SOME TOLLS RETRO-ACTIVELY AND GOVERNOR ANTICIPATES LEGAL SUITS BECAUSE OF MANNER IN WHICH TOLL INCREASE WAS HANDLED PROCEDURALLY. GOVERNOR REFERRED TO HIS MEETING WITH AMBASSADOR BUNKER AND RESERVATIONS EXPRESSED CONCERNING "THRESHOLD

AGREEMENT."

JORDEN

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## Message Attributes

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